

573/751-6922

September 22, 1998

Nancy Coetschius  
Health Care Financing Administration  
Office of State Health Reform Demonstrations  
7500 Security Blvd., C-3-18-26  
Baltimore, MD 21244-1850

Dear Ms. Coetschius:

This is in response to Sidney Trieger's correspondence of September 11, 1998 and in follow-up to our letter of June 26, 1998 (Appendix 1) in which we outlined the waiver program changes. We are refining the waiver requests set forth in our original 1115 waiver submission to reflect these subsequent changes to the demonstration program. However, as reflected in our letter of April 24, 1998 to Mr. Trieger (Appendix 2), we now understand that these elements of the program are approved as "costs not otherwise matchable" under Section 1115(a)(2) without formal exercise of the Secretary's waiver authority under Section 1115(a)(1).

Eligibility Standards – Section 1902(a)(10) of the Act requires states to provide medical assistance to certain categories of Medicaid recipients in addition to those either receiving or deemed to be receiving medical assistance on the basis of certain welfare categories under the Social Security Act. The State of Missouri requests a waiver of Section 1902(a)(10) as necessary to expand coverage to noncustodial parents with family income at or below 125 percent of the federal poverty level.

Cost Sharing – Sections 1902(a)(14) and 1916 describe the circumstances when a state may impose cost sharing, such as copayments, deductibles, and coinsurance, on categorically and medically need Medicaid recipients and limit the charges to "nominal" amounts. Specific limits are listed at 42 C.F.R. §§ 447.50-447.59. To the extent Section 2103(e) of the Balanced Budget Act could be construed to apply these sections to some or all of the populations made eligible as a result of the demonstration program, the state requests a waiver of these sections to allow:

- A co-payment at the time of professional service for uninsured ~~children~~ with family income above 185 percent of the federal poverty level and at or below 225 percent of the federal poverty level;
- A co-payment at the time of ~~professional~~ service and a co-payment for ~~prescription(s)~~ for children with family income above 225 percent of the federal poverty level and below 300 percent of the federal poverty level;
- A monthly premium for the ~~child/children~~ of a family with income above 225 percent of the federal poverty level and below 300 percent of the federal poverty level.

Retroactive Eligibility – Section ~~1902(a)(34)~~ and 42 C.F.R. § 435.914 require states retroactively to provide medical assistance for ~~up~~ to three months prior to the date that an application for such assistance is made. As stated in our original waiver, the State of Missouri requests a waiver of these requirements because it will not offer ~~retroactive~~ eligibility to new populations made eligible as a result of the waiver.

Income Limitations – Section ~~1903(f)~~ of the Social Security Act and 42 C.F.R. § 435.100 et seq. prohibit payments under Medicaid to states that implement ~~eligibility~~ standards in excess of the maximums allowed by regulations. Missouri requests a waiver to expand eligibility for health care coverage to noncustodial parents with family ~~income~~ up to 125 percent of the federal poverty level. The expanded eligibility will not result in ~~cost~~ increases because of the offsetting savings from other aspects of the demonstration.,

Finally, the State of Missouri requests that the Health Care Financing Administration grant any other waiver deemed to be required in order to implement the demonstration as described in the waiver modification.

We appreciate your original 1115 waiver approval of April 28, 1998 which ~~granted~~ all waiver requests necessary to support the program as outlined in our submission and its amendments, and we look forward to implementing the waiver program as modified. If you have any questions please do not hesitate to contact me.

Sincerely,

Gregory A. Vadner  
Director

GAV:kl

cc: Debbie Chang  
Sidney Trieger

